Alberta

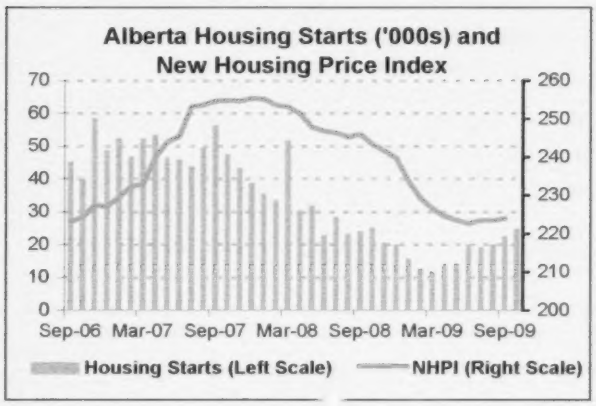
Weekly Economic Review

November 13, 2009

Housing Starts and New House Prices

Alberta housing starts up in October…

New housing starts in Alberta were up 10.6% in October to 25,000 units (seasonally adjusted and annualized), and are now close to what they were in October 2008. Despite the improvement, activity in the first 10 months of 2009 is still almost 43% lower compared to the same period last year.



Housing starts in the Edmonton region were up nearly 55% over the same time last year, the fourth consecutive month of year-over-year increases. At the same time, in the Calgary area, housing starts were up 22.2%. Despite the recent turnaround in new housing activity, starts this year trail activity reported in the first ten months of 2008 in both Edmonton (-24%) and Calgary (-54%).

Prices improve slightly in September…

New home prices in Alberta rose 0.3% in September, the second increase in the last three months. Although prices are still 8.9% below last year's level, the pace of annual decline has moderated since April. While prices in Edmonton dropped marginally (-0.1%) during the month, Calgary recorded a 0.6% increase. However, compared to last year, prices still remain lower in both Edmonton (-11.4%) and Calgary (-6.4%).

Nationally, new home prices rose 0.5% in September, the largest monthly increase since January 2008. However, prices still remain 2.7% lower from a year ago.

↑	**Canadian Dollar (US¢/CS)**	
	November 13, 2009	95.17
	November 06, 2009	93.28
	2009-10 YTD	89.67
↓	**WTI Oil US$/bbl**	
	November 12, 2009	$ 76.94
	November 05, 2009	$ 79.62
	2009-10 YTD	$ 66.53
↓	**Nymex Natural Gas CS/MMBtu ***	
	August Contract	
	November 13, 2009	$ 4.68
	November 06, 2009	$ 4.93

*Estimate based on Nymex Futures Market Price

New Motor Vehicle Sales

Vehicle sales up in September…

New motor vehicle sales in Alberta were 16,089 units (seasonally adjusted), up 2.2% in September, following a slight decline in the previous month. Compared to the same month last year, sales were down 15.6%.

Provincial Economic Accounts

Alberta's real GDP remained flat in 2008…

Revised Statistics Canada data show that Alberta's real GDP remained flat in 2008, an improvement from the previous estimate of a 0.2% contraction, but a significant deceleration from the 2.5% growth recorded in 2007. On the other hand, the Canadian real GDP was revised down from 0.5% to 0.4%. Among the provinces, Saskatchewan's growth of 4.2% was the strongest performance, followed by Nova Scotia (2.2%) and Manitoba (2.0%). Ontario's contraction of 0.5% marked the most substantial decline.

International Merchandise Trade

Big jump in export volumes points to a rebound in economic activity in September…

Canada's trade deficit narrowed sharply to $927 million in September, from a record $2 billion gap in the last month, reflecting higher exports to the EU (34%) and other OECD countries (+15%). Nominal exports shot up 3.5%, as nearly all of the non-energy sectors recorded solid gains. At the same time, imports were essentially unchanged.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	May	Jun	Jul	Aug	Sep	Oct
Real GDP (in 2002 $billions) NEW!	185.9	185.8	--	--	--	--	--	--	--
% change	2.5	0.0	--	--	--	--	--	--	--
Nominal GDP ($ billions) NEW!	256.9	291.3	--	--	--	--	--	--	--
% change	7.7	14.1	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,513	3,596	3,688		--	3,688	--	--	--
% change	2.7	2.4	2.6	--	--	2.6	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	--	--	4,737	--	--	--
Net International Migration[1] (level)	16,372	20,039	20,074	--	--	6,089	--	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058		--	2,594	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,991	1,994	1,990	1,986	1,979	1,982	1,967
% change	4.7	2.8	-1.2	-1.1	-1.6	-1.6	-1.6	-1.9	-3.4
Unemployment Rate (%)	3.5	3.6	6.4	6.6	6.8	7.2	7.4	7.1	7.5
Average Hourly Wage Rate	6.0	5.7	4.8	5.0	6.2	4.6	5.9	3.7	3.9
Average Weekly Earnings[2]	5.8	6.0	4.1	4.9	3.4	4.1	2.0	--	--
Labour Income[3]	10.5	8.7	3.1	2.4	1.2	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.3	-0.7	-1.6	-1.5	-1.7	-1.1	--
Excluding food and energy	5.0	2.1	1.5	1.7	1.6	1.4	1.3	1.4	--
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	--	-11.3	--	--	--	--
Farm Product Price Index	15.1	11.2	-9.4	-8.6	-16.2	-16.6	-17.6	--	--
Crops	434.0	26.2	-23.1	-25.5	-29.0	-26.6	-25.4	--	--
Livestock	0.6	2.3	2.5	0.6	-5.6	-9.7	-14.6	--	--
Household Sector									
Housing Starts (SAAR, 000's) NEW!	48.1	29.0	17.6	14.2	20.0	19.3	20.1	22.6	25.0
% change	-2.1	-39.8	-42.8	-55.6	-12.7	-32.0	-13.7	-6.2	-0.8
New Housing Price Index	22.5	0.7	-9.6	-9.8	-9.8	-9.3	-8.9	-8.9	--
Edmonton NEW!	32.1	1.0	-11.6	-11.7	-11.7	-11.1	-11.4	-11.4	--
Calgary	16.2	0.6	-7.4	-7.9	-8.0	-7.3	-6.3	-6.4	--
MLS Average Resale Prices	24.3	-1.4	-5.4	-5.8	-4.6	-2.4	0.2	1.3	--
Edmonton	34.3	-2.0	-5.0	-4.2	-3.8	-3.1	-3.3	0.7	--
Calgary	18.7	-2.9	-7.1	-8.7	-6.3	-5.2	-0.4	1.1	--
Retail Sales	9.3	-0.1	-10.1	-11.0	-7.2	-8.4	-10.3	--	--
New Motor Vehicle Sales NEW!	3.3	-7.3	-24.4	-27.8	-22.2	-18.6	-20.6	-15.6	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.7	-39.2	-56.3	-66.2	-62.7	-54.1	-50.9
Goods Exports (customs based)	5.3	34.3	-39.6	-50.2	-37.1	-46.7	-42.9	--	--
Energy	4.4	42.5	-45.6	-58.7	-40.9	-51.8	-45.6	--	--
Agriculture	9.8	27.8	0.5	-13.7	4.4	-4.1	-7.5	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	--	-10.3	--	--	--	--
Manufacturing Shipments	1.1	7.0	-23.2	-27.4	-27.0	-32.9	-25.7	--	--
Wholesale Trade	5.0	10.9	-11.9	-20.9	-11.6	-16.8	-22.1	--	--
Building Permits	13.4	-16.5	-32.1	-18.5	-25.2	-29.8	-7.6	-8.0	--
Residential	10.7	-31.5	-28.9	-49.1	-17.8	-9.5	39.1	40.8	--
Non-residential	17.1	3.7	-34.9	13.0	-31.0	-46.1	-46.9	-46.1	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are for the census year of 2009

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada) NEW!	***0.4%***	0.5%	0.5%	2.2%	0.0%	1.0%	-0.5%	2.0%	4.2%	**0.0%**	0.0%
2009	***-2.3%***	-3.6%	0.9%	0.4%	0.4%	-1.4%	-2.9%	0.5%	-2.6%	**-2.6%**	-2.0%
2010	***3.0%***	-0.5%	1.8%	1.9%	2.0%	2.4%	3.2%	2.5%	3.7%	**3.0%**	4.2%
Population (As of July 1, 2009)											
Population	**33,739,859**	508,925	140,985	938,183	749,468	7,828,879	13,069,182	1,221,964	1,030,129	**3,687,662**	4,455,207
Annual Growth Rate[a]	***1.2%***	0.5%	1.1%	0.2%	0.3%	1.0%	1.0%	1.3%	1.6%	**2.6%**	1.6%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		-528	-291	-1,794	-908	-11,682	-14,750	-3,703	4,171	**15,317**	14,643
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
Employment											
Level Change (000s)[b]	**-361.3**	-6.2	1.4	-3.7	2.0	-54.4	-18.2	-1.4	-1.0	**-68.8**	-47.7
Percent Change[b]	***-2.1%***	-2.8%	2.0%	-0.8%	0.5%	-1.4%	-2.7%	-0.2%	-0.2%	**-3.4%**	-2.1%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.5	12.3	9.2	8.9	8.5	9.0	5.1	4.8	**6.4**	7.5
Participation Rate, 2009 avg (SA)	***67.3***	59.2	67.9	64.6	64.7	65.3	67.4	69.4	70.2	**74.4**	65.9
Average Weekly Earnings											
August 2009	**828.14**	801.62	697.11	736.31	757.88	764.57	853.43	771.59	808.82	**941.80**	802.70
Y/Y Percent Increase[c]	***2.1%***	3.9%	4.3%	3.0%	2.8%	3.8%	1.8%	2.0%	1.6%	**2.0%**	0.2%
2009 Wage Settlements (Jan-Aug)										**2.0%**	
CPI Inflation											
September Annual	**-0.9%**	-0.9%	-1.4%	-0.8%	-0.4%	-0.3%	-1.1%	-0.3%	0.2%	**-1.1%**	-1.2%
Excluding Shelter	**-0.5%**	-0.1%	0.3%	-0.1%	-0.3%	-0.4%	-0.9%	-0.6%	-0.9%	**-0.2%**	-0.3%
Housing Starts (000s)											
SAAR October 2009 NEW!	**157.3**	2.9	1.2	4.0	3.6	37.2	57.6	4.2	3.6	**25.0**	18.1
Retail Sales											
Percent Change[d]	**-4.9%**	-1.7%	-4.1%	-1.9%	-2.0%	-2.3%	-4.5%	-1.8%	-3.5%	**-10.3%**	-7.6%
2009 YTD Retail Sales Growth	**-5.3%**	1.2%	-2.1%	-2.1%	-2.2%	-2.8%	-4.9%	-2.8%	-3.4%	**-10.1%**	-8.7%
Manufacturing Shipments											
Percent Change[d]	**-19.1%**	-24.2%	-8.0%	-20.7%	-8.1%	-16.6%	-19.1%	-17.2%	-23.6%	**-25.7%**	-18.7%

a. Over the past 12 months
b. October 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to August 2009
d. August 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

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